

2018 Worksheet for Letters of Agreement for Clergy in Charge of Congregations

Diocese of Chicago LETTER OF AGREEMENT

Between

The Wardens and Vestry/Bishop's Committee of

_____ Church in _____ and

The Reverend _____

Who has been appointed **Interim Rector/Vicar** with the understanding that this tenure shall continue until such time as a selection of a permanent priest is made. The Interim's employment shall begin on _____. The Interim shall continue to serve in this capacity for at least _____ months until shortly before the permanent priest arrives (ideally within 30 days), unless earlier dissolved by mutual consent or upon sixty (60) days notice of either party.

PREAMBLE

The priest shall lead as pastor, priest and teacher, sharing in the councils of this congregation and of the whole Church, in communion with our Bishop. By word and action, informed at all time by the Holy Scriptures, the Book of Common Prayer and the Constitution and Canons of the Episcopal Church and the Diocese of Chicago, the priest shall proclaim the Gospel, love and serve Christ's people, nourish them and strengthen them to glorify God in this life and the life to come.

The Interim shall supervise all staff and have the authority to hire and fire in consultation with the wardens. The Interim shall have editorial oversight of all communications in all media, including social media.

The present interim in settled pastoral leadership is seen as prime time for renewal, reenergizing the congregation in its life and mission. Beyond maintaining effective ministry during this period, the Vestry and Interim shall work together to prepare for healthy transition to the next rectorship. Specific tasks to be addressed include:

- Coming to terms with the history of this congregations and its relationships with previous clergy
- Discovering the congregation's special identity, what it dreams of being and doing apart from previous clergy leadership
- Dealing with shifts in leadership roles that naturally evolve in times of transition, allowing new leaders to come to the fore constructively

- Renewing and reworking relationships with the diocese, so that each may be a more effective resource and support to the other
- Building commitment to the leadership of the new rector in order to be prepared to move into the future with openness to new possibilities

SECTION A: TIMES OF WORK AND LEAVE

1. The priest's work includes not only activities directed to the congregation and its well-being, but also labors on behalf of the Diocesan community. The priest's scheduled workweek is five days. In general, no more than three evenings per week are expected. The priest is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use.
2. For the first 18 months of the priest's tenure, she/he is expected to participate in the Diocesan Fresh Start program.
3. The priest will have the following periods of leave at full compensation:
 - a. National Holidays, to be taken so as not to interfere with worship for major occasions.
 - b. A total of 4 weeks' vacation is given per year including 5 sSundays. No more than 10 days and 2 Sunday(s) may be carried forward to succeeding years. For part time positions, vacation days are prorated accordingly.
4. The priest will accrue sick days at the rate of one per month. No more than forty sick days can be accumulated. Employees will not be compensated for unused sick days.

Before proceeding to Section B, the congregation will need to determine whether housing will be provided or housing allowance is to be calculated as a part of the priest's compensation.

The Diocese's minimum compensation rate is set each year at the Diocesan Convention. After these minimum guidelines are met, the cash compensation should be set by the Bishop's Committee or Vestry weighing the priest's experience and range of responsibilities. For 2018, the minimum compensation is:

\$62,425 which includes: Cash Stipend, Self-Employment Tax and Cash Housing allowance.

\$45,500 which includes: Cash Stipend and Self-Employment Tax and assumes a residence and utilities are provided.

Note: These figures include SECA tax reimbursement and are adjusted relative to the Consumer Price Index by each Diocesan convention.

If cash is provided in lieu of housing, complete section B (1). If housing is provided, complete Section B (2).

SECTION B (1): COMPENSATION WHEN HOUSING IS NOT PROVIDED

1. The priest's annual cash salary will be \$_____, paid twice monthly on or before the _____ day and the _____ of the month, to be reviewed and adjusted annually in light of changes in the Consumer Price Index and the current Diocesan minimum clergy salary standard. Upon the

priest's request, the Vestry will designate a portion of the total cash salary as "Housing Allowance" under the Internal Revenue Code and Regulations.

2. The Vestry shall pay the following benefits:
 - a. Church Pension Fund Assessment on the sum of the priest's total annual compensation as prescribed by Canon law. See the attached New Assignment notice for Church Pension Fund.
 - b. Clergy Medical and Dental Insurance, including Family coverage when appropriate as set by Diocesan Council and/or Diocesan Convention. **Medical and/or Dental Insurance enrollment must occur within the first 30 days of employment.**

The minimum premium level to be paid by employers of full-time clergy in the Diocese for medical insurance shall be equal to the premium cost of the High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) attached (the Health Savings Account for 2018 is equal to \$2025.00 for single coverage and \$4087.50 for family coverage) for 2018.

The Health Savings Account, for 2018, must be funded by the employer and would need to be established in January of the current year with funding to occur either in January of the current year, quarterly in the year or on a monthly basis in the current year. Prorated amounts may **only** occur if a clergy member's hire date occurs within a calendar year; otherwise all clergy must have their funds fully funded each calendar year. The suggested funding is as follows:

- Hire Date: January – March, full funding: \$2025.00 single, \$4087.50 family;
- Hire Date: April – June, $\frac{3}{4}$ funding: \$1518.75 single, \$3065.63 family
- Hire Date: July – September, $\frac{1}{2}$ funding: \$1012.50 single, \$2043.75 family
- Hire Date: October – December, $\frac{1}{4}$ funding: \$506.25 single, \$1021.88 family

Each church must understand that if funding for the HSA does not occur in a lump sum in January of the current year, the clergy member may be required to fund their own medical/prescription payments out-of-pocket until their HSA is funded by the church.

The minimum premium level to be paid by employers of full-time clergy in the Diocese for dental insurance shall be equal to the premium cost of the Basic Dental Plan.

If the priest declines Family Medical and Dental Coverage: This is only recommended when the family medical and dental coverage is equal or better than that provided by the Diocese. The priest signs a waiver to forgo Diocesan coverage.

- c. Worker's Compensation Insurance, as provided by State Law.
3. Benefits provided under Church Pension Group:
 - a. Life Insurance
 - i. Active clergy receive a life insurance benefit of four times their current total assessable compensation, with a maximum value of \$100,000 through the Church Pension Fund under Pension Benefits. This benefit will remain in effect as long as pension payments are not in arrears.
 - ii. An additional life insurance (\$50,000 value) may be purchased by the church through Church Pension Group **within 30 days of employment**. The clergy

member is also eligible to purchase additional life insurance policies directly with Church Pension Group.

b. Disability Insurance:

- i. Please refer to the attached 2018 Budget Guidelines for information on short and long-term disability.

SECTION B (2): COMPENSATION WHEN HOUSING IS PROVIDED

1. The priest's annual cash salary will be \$ _____ , paid twice monthly on or before the _____ day and the _____ of the month, to be reviewed and adjust annually in light of changes in the Consumer Price Index and the current Diocesan minimum clergy salary standard. Upon the priest's request, the Vestry will designate a portion of the total cash salary as "Housing Allowance" under the Internal Revenue Code and Regulations.
2. _____ agrees to pay the priest \$ _____ annually as an equity allowance. **[Not required under minimum clergy guidelines].**
3. The priest shall have full use of the Church Provided Home at _____ as personal residence. No congregational activities will be planned at the Church Provided Home without the invitation of the priest's household. Expenses connected with the Church Provided Home shall be handled as follows:
 - a. Utilities shall be contracted for and paid directly by the Vestry.
 - b. Expenses for repair; remodeling and major appliances shall be paid by the congregation in accordance with an annual plan and budget mutually agreed to by the priest and Vestry. Within that plan and budget, the priest may authorize such expenditures, up to \$ _____ monthly, reporting them within ten days to the Vestry until the annual budget is spent or committed and then only in consultation with the senior warden and treasurer.
 - c. Use and maintenance of provided housing and grounds are at the priest's discretion and personal expense, with the exception of major alterations to the basic landscaping plan, and such grounds maintenance items as may be included in the annual plan and budget referred to in sub-paragraph (b) above.
4. The Vestry shall pay the following benefits:
 - a. Church Pension Fund assessment on the sum of the priest's total annual compensation as prescribed by Canon Law
 - b. Clergy Medical and Dental Insurance, including Family coverage when appropriate.

The minimum premium level to be paid by employers of full-time clergy in the Diocese for medical insurance shall be equal to the premium cost of the High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) attached (the Health Savings Account for 2018 is equal to \$2025.00 for single coverage and \$4087.50 for family coverage) for 2018.

The Health Savings Account, for 2018, must be funded by the employer and would need to be established in January of the current year with funding to occur either in January of the current year, quarterly in the year or on a monthly basis in the current year. Prorated amounts may **only** occur if a clergy member's hire date occurs within a calendar year; otherwise all clergy must have their funds fully funded each calendar year. The suggested funding is as follows:

Hire Date: January – March, full funding: \$2025.00 single, \$4087.50 family;

Hire Date: April – June, $\frac{3}{4}$ funding: \$1518.75 single, \$3065.63 family

Hire Date: July – September, $\frac{1}{2}$ funding: \$1012.50 single, \$2043.75 family

Hire Date: October – December, $\frac{1}{4}$ funding: \$506.25 single, \$1021.88 family

Each church must understand that if funding for the HSA does not occur in a lump sum in January of the current year, the clergy member may be required to fund their own medical/prescription payments out-of-pocket until their HSA is funded by the church.

The minimum premium level to be paid by employers of full-time clergy in the Diocese for dental insurance shall be equal to the premium cost of the Basic Dental Plan.

If the priest declines Family Medical and Dental Coverage: This is only recommended when the family medical and dental coverage is equal or better than that provided by the Diocese. The priest signs a waiver to forgo Diocesan coverage.

c. Worker's Compensation Insurance, as provided by state law.

5. Benefits Provided under Church Pension Group

a. Life Insurance

- i. Active clergy receive a life insurance benefit of four times their current total assessable compensation, with a maximum value of \$100,000 through the Church Pension Fund under Pension Benefits. This benefit will remain in effect as long as pension payments are not in arrears.
- ii. An additional life insurance (\$50,000 value) may be purchased by the church through Church Pension Group **within 30 days of employment**. The clergy member is also eligible to purchase additional life insurance policies directly with Church Pension Group.

b. Disability Insurance

- i. Please refer to the attached 2018 Budget Guidelines for information on short and long-term disability insurance.

SECTION C: EXPENSES

The Vestry shall pay the following expenses incurred by the priest in fulfilling the duties of office:

1. Actual travel expenses for church business, at the annual IRS rate plus out-of-pocket costs for parking fees, tolls, bus fares, etc. and in accordance with the annual approved budget of the congregation.
2. An expense and hospitality allowance (up to \$_____ annually) for reimbursement of expenses incurred in the course of professional activities.
3. The cost of a cell phone will be reimbursed by the congregation for professional and pastoral use. This contact number shall be published to insure the clergy member's ready accessibility in case of emergencies. **[As an alternative, congregations may want to provide the cost of installing a telephone in the clergy person's home. If this alternative is chosen, then the clergy person should reimburse all non-business related long-distance calls.]**
4. In the event of the priest's death, the Vestry agrees to continue to provide the priest's surviving direct dependents with the compensation items agreed to in Section B, 1 and 2 (excepting pension, workers compensation, life insurance and income replacement insurance), and appropriate Medical and Dental Insurance for a period of _____ months. If the congregation provides housing then the use of said housing will continue under the terms of this letter of agreement for _____ months.
5. A continuing education allowance in the amount of \$_____ (for 2018, the Diocesan minimum is \$1,000) will be provided annually. Two weeks will be given for continuing education per year.
6. This letter may be revised only by mutual agreement at the time of the annual mutual ministry review. Compensation and expenses revisions shall be mutually agreed upon in a separate budget process. In no event can compensation be less than Diocesan Minimum as established by the most recent Diocesan Convention.

SECTION D: MUTUAL MINISTRY REVIEW

The Interim priest and vestry agree to an annual discussion and mutual review of the total ministry of the congregation and may wish to engage a third party to facilitate that process. The purpose of this review is to:

1. Provide the Interim priest and Vestry the opportunity to assess how well they are fulfilling their responsibilities to each other, the ministries they share and the congregation;
2. Evaluate goals set at the previous mutual ministry review;
3. Establish goals for the work of the congregation for the coming year;
4. Isolate areas of conflict or disappointment that have not received adequate attention and may be adversely affecting mutual ministry; and
5. Clarify expectations of all parties so that future conflicts may be diminished or avoided.

SECTION E: OTHER

1. _____ will pay \$_____ expenses related in moving the priest from _____ to _____.

[N.B. As the employer of record, the church must pay the mover directly to avoid any adverse tax consequences for the clergy person.]

2. If the Interim priest and Vestry are in disagreement concerning interpretation of this Letter of Agreement, either party may appeal for mediation to the Director of Ministries or another mutually agreed upon third party, the Bishop remaining the final arbiter.

3. Items contained in this Letter of Agreement are based upon current resolutions and Canons of the Diocese of Chicago. Therefore, this agreement may be altered and revised at any time based on any new resolutions, directives from Diocesan Council and/or the Canons as pertinent to this agreement.

4. The Interim priest shall NOT be a candidate for the position of rector.

5. The Interim priest shall be invited to participate in Fresh Start.

Interim Priest

Date

Senior Warden

Date

Approved: _____

Director of Ministries

Bishop of Chicago

2018 BUDGET GUIDELINES

TABLE OF CONTENTS

	<u>PAGE</u>
CLERGY MINIMUM FULL-TIME CASH COMPENSATION	1
CLERGY COMPENSATION IN EXCESS OF MINIMUM	1
SOCIAL SECURITY REIMBURSEMENT - SELF-EMPLOYMENT (SECA) TAX	1
CLERGY HOUSING ALLOWANCE	1
CLERGY CONTINUING EDUCATION	2
CLERGY LIFE INSURANCE	2
CLERGY MEDICAL AND DENTAL INSURANCE	2
2018 MEDICAL AND DENTAL INSURANCE RATES	3
CLERGY DISABILITY INSURANCE	4
CLERGY PENSION	5
CLERGY TRANSPORTATION	6
CLERGY VACATION	6
SUPPLY CLERGY	6
COMMON MISSION SHARE PLEDGE GUIDELINES	7
COMPREHENSIVE GENERAL LIABILITY AND SEXUAL MISCONDUCT LIABILITY	7
FIDELITY BOND	7
LAITY PENSION	7
LAITY INSURANCE	7
LAITY SHORT & LONG-TERM DISABILITY PLAN	8
LAITY GROUP TERM LIFE AND AD&D	8
RETIREMENT SAVINGS PLAN	8
DEFINED CONTRIBUTION RETIREMENT PLAN FOR LAY EMPLOYEES	9

2018 BUDGET GUIDELINES

CLERGY MINIMUM FULL-TIME CASH COMPENSATION for 2018

\$62,425 which includes: Cash Stipend, Self-Employment Tax and Cash Housing allowance

\$45,500 which includes: Cash Stipend and Self-Employment Tax and assumes a residence and utilities are provided. For part time positions, compensation is prorated accordingly.

CLERGY COMPENSATION IN EXCESS OF MINIMUM

Congregations are expected to consider additional cash stipend based on such criteria as tenure, parish size, parish growth, diversity in programming, performance, etc.

SOCIAL SECURITY REIMBURSEMENT - SELF-EMPLOYMENT (SECA) TAX

SECA/Social Security Tax Reimbursement has been included in the amounts in the Minimum Cash Compensation amounts. SECA Tax rate is 7.65% (one-half of the total 15.3%). The reimbursement is taxable.

CLERGY HOUSING ALLOWANCE (Section 107 of the IRS tax code)

The most important tax benefit available to clergy who own or rent their home is the housing allowance exclusion. Clergy who own or rent their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that, the allowance represents compensation for ministerial services and it is used to pay housing expenses. **Housing expenses to include in computing your housing allowance exclusion:** Down payment on a home (but remember, a housing allowance is nontaxable only to the extent that it does not exceed the lesser of actual housing expenses or the fair rental value of a minister's home, furnished, plus utilities); mortgage payments on a loan to purchase or improve your home (include interest, principal, and mortgage insurance); rent for home, storage, garage; real estate taxes; property insurance; utilities (electricity, gas, water, basic cable TV, trash pickup, local telephone charges); furnishings and appliances (purchase and repair); structural repairs and remodeling; yard maintenance and improvements; maintenance items (pest control, etc.); homeowners association dues. Only expenses incurred for the minister's primary residence are eligible for the housing allowance exclusion.

Ministers who live in church-provided housing do not pay federal income taxes on the fair rental value of the house. The fair rental value, furnished, plus utilities, plus any cash housing allowance, must be included in the self-employment tax computation. Ministers who live in church-provided housing and incur any out-of-pocket expenses in maintaining the house (such as utilities, property taxes, insurance, furnishings, or lawn care) should be sure that their employing church designates in advance a portion of their annual compensation as a housing allowance. The amount so designated is not reported as wages on the minister's Form W-2 at the end of the year (if the allowance exceeds the actual expenses, the difference must be reported as income by the minister). This is a very important tax benefit for ministers living in church-provided houses.

A resolution must be approved by the vestry or Bishop's Committee at the December meeting authorizing the amount of the Housing Allowance for the next year. A housing allowance must be designated in advance. Retroactive designations of housing allowances are not allowed.

It is important to note that the Housing Allowance is treated differently for:

- 1) Income tax* purposes (it is **excluded**);
- 2) Self-employment tax purposes (it is **included**);
- 3) Pension calculation purposes (see notes herein).

*For income tax purposes, a housing allowance (subject to certain limits) is **not** included as taxable income for the priest. On your priest's W-2, the **cash** housing allowance (as approved by resolution) does not go in the box 1 marked "Wages, Tips, Other Comp". It should be reported by placing it in Box 14 marked Other and typing Housing Allowance next to it.

For more information, please refer to the following resource:

[https://www.cpg.org/linkservid/306EF1DB-0F9A-44D6-BA29D5ECB3AB2B21/showMeta/0/?label=Tax-2017%20Tax%20Guide%20for%20Episcopal%20Ministers%20\(for%202016%20Tax%20Returns\)](https://www.cpg.org/linkservid/306EF1DB-0F9A-44D6-BA29D5ECB3AB2B21/showMeta/0/?label=Tax-2017%20Tax%20Guide%20for%20Episcopal%20Ministers%20(for%202016%20Tax%20Returns))

CLERGY CONTINUING EDUCATION

A minimum of \$1,000 must be provided for full-time clergy for actual expenses. Receipts should be turned in to the employer for reimbursement.

CLERGY LIFE INSURANCE

Group Life Insurance through Church Life Insurance Corporation is provided as a benefit of the Clergy Pension Plan. Benefit is equal to four times the current total compensation, with a maximum value of \$100,000. **A congregation or the individual clergy member may purchase additional life insurance within thirty days of employment.** Please contact Anna Stefaniak (312) 751-4202, for this additional benefit.

NOTE: The insured must pay income tax on the value of life insurance in excess of \$50,000. The imputed income amounts are forwarded to each clergy member toward the end of each calendar year.

CLERGY MEDICAL AND DENTAL INSURANCE

The minimum premium level to be paid by employers of full-time clergy in the Diocese for medical insurance shall be equal to the premium cost of the High Deductible Health Plan (HDHP) with at least 75% of the Health Savings Account (HSA) funded or the full premium cost of the Anthem BCBS BlueCard PPO 70.

At least 75% of the Health Savings Account must be funded by the employer and would need to be established in January of the current year with full funding to occur either in January of the current year, quarterly in the year or on a monthly basis in the current year. Prorated amounts may **only** occur if a clergy member's hire date occurs within a calendar year.

Each church must understand that if funding for the HSA does not occur in a lump sum in January of the current year, the clergy member may be required to fund their own medical/prescription payments out-of-pocket until their HSA is funded by the church.

The minimum premium level to be paid by employers of full-time clergy in the Diocese for dental insurance shall be equal to the premium cost of the Basic Dental Plan.

If the priest declines Family Medical and Dental Coverage: This is only recommended when the family medical and dental coverage is equal or better than that provided by the Diocese. The priest signs a waiver to forgo Diocesan coverage.

MEDICAL AND DENTAL INSURANCE 2018 ANNUAL RATES:

Medical Plan /Yearly Rates	Single	Emp. plus 1 (spouse/partner/child) 2018	Family
Employee Assistance Program Only	\$ 60.00	\$ 60.00	\$ 60.00
Anthem BCBS High Deductible Health Plan with a 75% Funded HSA Total Cost	\$ 7,464.00 + \$ 2,025.00 = \$ 9,489.00	\$13,440.00 + \$ 4,087.50 = \$17,527.50	\$20,904.00 + \$ 4,087.50 = \$24,991.50
Anthem BCBS PPO 70	\$8,916.00	\$16,044.00	\$24,960.00
Anthem BCBS PPO 80	\$ 10,380.00	\$18,684.00	\$29,064.00
Anthem BCBS PPO 90	\$11,448.00	\$20,604.00	\$32,052.00
Anthem BCBS MSP PPO 70 (MEDICARE AS SECONDARY PAYER)	\$7,116.00	\$12,804.00	\$19,920.00
Anthem BCBS MSP PPO 80 (MEDICARE AS SECONDARY PAYER)	\$8,412.00	\$15,144.00	\$23,556.00
Anthem BCBS MSP PPO 90 (MEDICARE AS SECONDARY PAYER)	\$9,264.00	\$16,680.00	\$25,944.00

Dental Plan / Yearly Rates	Single 2018	Emp. plus 1 (spouse/partner or child) 2018	Family 2018
Dental & Orthodontia PPO- \$25/\$75 Deductibles	\$ 900.00	\$ 1,620.00	\$ 2,520.00
Basic Dental PPO-\$50/\$150 Deductibles	\$ 672.00	\$ 1,212.00	\$ 1,884.00
Preventive Dental	\$ 384.00	\$ 696.00	\$ 1,080.00

For more information on health or dental insurance, call Anna Stefaniak, 312-751-4202.

CLERGY DISABILITY INSURANCE

Short-Term Disability

To be eligible for STD benefits, a cleric must be (1) an Active participant in the Clergy Pension Plan at the time the cleric becomes disabled, (2) the cleric's physician must certify that he or she is disabled, and (3) CPF's Medical Board, designated as Liberty Mutual, must concur.

To be eligible for STD benefits, a cleric must also be (1) unable to perform (or limited from performing) the material and substantial duties of his or her own job and is unable to earn at least 80% of his or her weekly pre-disability TAC (total assessable compensation) or (2) must have given birth to a child.

CPF must be notified of the disability within 60 days of its occurrence. If notice is provided later, STD benefits may not be paid retroactively to the date of disability. No STD benefits will be payable if CPF is notified more than 26 weeks after the disability occurs.

An employer will continue to be required to provide the cleric with 100% of his or her pre-disability TAC and benefits in order to receive the STD benefit.

The benefit will continue to equal 70% of the cleric's pre-disability TAC (subject to a maximum of \$1,000 per week).

The benefit will be paid after a 14-day elimination period and may continue for up to 26 weeks (including the 14-day elimination period). The elimination period will continue to be waived in the event the disability is related to the birth of a child.

Long-Term Disability

Disabilities lasting longer than 26 weeks (i.e., equal to the STD period, including the STD elimination period) will transition to LTD if the cleric continues to be disabled. Because all disability cases must first go through STD before LTD, this means that an Inactive participant in the Clergy Pension Plan will not be eligible for LTD.

Disability will be defined as the inability to perform the material and substantial duties of a cleric's own job for the first 24 months of LTD.

After 24 months of LTD, a cleric will be considered permanently disabled and will continue to be eligible for LTD benefits only if he or she is unable to perform any occupation through which he or she will be able to earn at least 80% of his or her HAC (highest average compensation).

The benefit amount will equal 70% of the cleric's HAC.

If a cleric had medical coverage with the Medical Trust as of the date of disability, CPF will provide the cleric with fully subsidized medical coverage (at the same coverage level) for up to the first 23 months on LTD or, if earlier, until the cleric is eligible for Medicare or LTD benefits stop.

Certain offsets (e.g., compensation and Social Security benefits) will be applied to make sure that the cleric's total annual income while disabled does not exceed 100% of the cleric's HAC.

The LTD benefit generally will end at age 65 when a cleric is eligible for normal retirement, on the cleric's early retirement date (if the cleric elects to retire earlier), when the cleric earns or is able to earn 80% or more of his or her HAC, or when the cleric is no longer disabled, whichever occurs first. If the LTD benefit commences after a cleric reaches age 63 and he or she continues to be disabled, the LTD benefit will end after it has been paid for 23 months, on the cleric's retirement date (if the cleric elects to retire before 23 months have passed), when the cleric is no longer disabled, or on the cleric's mandatory Church retirement date (at age 72), whichever occurs first.

The resettlement benefit will be paid from the Clergy Pension Plan six months after the cleric is approved for LTD (with some flexibility to pay sooner if the cleric's situation warrants the need to pay the benefit earlier).

No Christmas benefit or bridge benefit will be paid while a cleric is on disability.

<https://www.cpg.org/linkservid/034EBD97-B08F-C561-B4FA3C368B0B3F69/showMeta/0/?label=CPPR%20Fact%20Sheets%20%2D%20Disability>

CLERGY PENSION

The Church Pension Fund has announced revisions to the Clergy Pension Plan and related benefits. These revisions will maintain the overall value of the benefits provided today and will offer greater flexibility, consistency, and simplicity. Please visit the link below for the most up-to-date information.

<https://www.cpg.org/active-clergy/retirement/pension-plan-revisions/more-information/>

Changes in compensation must be reported to the Church Pension Fund. The formula for calculating the pension contribution is 18% applied to the total of cash salary, Social Security tax reimbursement, utilities, and housing.

New Assignment Notice:

<https://www.cpg.org/linkservid/857C33BF-CC5D-7DDE-182534686C090934/showMeta/0/?label=Pensions%2DNew%20Assignment%20Notice>

Report of Change in a Cleric's Compensation:

<https://www.cpg.org/linkservid/85BE0B61-9F24-9D90-96827E8BCE6C3729/showMeta/0/?label=Pensions%2DReport%20of%20Change%20in%20a%20Cleric%27s%20Compensation>

CLERGY TRANSPORTATION

Clergy must be reimbursed for actual travel expenses. Receipts and documentation should be turned in to the employer on a monthly basis. If payment to clergy for transportation is an allowance or flat amount and the actual travel cost is not accounted for, it must be included as a part of the cash stipend.

CLERGY VACATION

Four weeks per year, including five Sundays, for full and part-time employment.

SUPPLY CLERGY

Sunday Supply Work

- \$175 for one service
- \$200 for two or more services
- Consulting and Mid-Week Services
 - \$75 for first hour
 - \$50 each additional hour for a maximum of \$250 per day

In addition, clergy should be reimbursed for travel. NOTE: Pension assessments are required for active clergy earning at least \$200 per month (exclusive of travel expenses) for each of three consecutive months. Assessments are not required for retired clergy who are drawing their church pension.

COMMON MISSION SHARE PLEDGE GUIDELINES

The following are the 2018 Common Mission Share pledge guidelines:
Using Line A on the 2015 Parochial Report:

<u>Parochial Report</u>	<u>Common Mission Share</u>
Up to \$100,000	11%
From \$100,000 to \$200,000	13%
Above \$200,000	15%

COMPREHENSIVE GENERAL LIABILITY AND SEXUAL MISCONDUCT LIABILITY

Canon 39, Section 6 requires that all buildings and their contents be adequately insured and adequate insurance against liability and other insurable risks shall be maintained. Most churches in this Diocese are insured through Church Insurance Company (1-800-293-3525 for service; 1-800-223-5705 for claims). Insurance through another carrier **must** provide misconduct coverage which is comparable to the Church Insurance Company policy.

FIDELITY BOND

Canon 39, Section 3 requires that churches have treasurers and other custodians of assets adequately bonded. This coverage is part of the basic liability coverage on the Church Insurance Company policy and must be purchased if coverage is with another carrier.

LAITY PENSION

Lay employees working 1000 hours or more per year (approximately 20 hours per week) must receive a pension contribution. The Church Pension Fund has information about their plans at www.cpg.org. The required employer contribution to a Defined Benefit Plan is at least 9% of salary. The required employer contribution to a Defined Contribution Plan is at least 5% of salary with a requirement to match employee contributions up to an additional 4%. **Please note, any lay employee expected to work 1000 or more hours per year, must be enrolled in the lay employee pension immediately upon hire.**

LAITY INSURANCE

At the 2010 Chicago Diocesan Convention, the following Denominational Health Plan resolution was proposed:

Resolved, that any employee, clergy or lay at a parish or mission in the diocese, working a minimum of 1500 hours per year (approximately 30 hours per week) shall be provided equal access to health care benefits and must be treated equally with regard to cost-sharing of the plan premiums. Any employee working 20-29 hours per week may voluntarily participate. Parishes or missions will pay equal minimum amounts for both clergy and lay employees that work the required hours as set above. Under the terms of the DHP, clergy and lay employees who have healthcare benefits through approved sources will be allowed to waive healthcare coverage under the DHP and may choose to maintain their healthcare benefits through the approved source. (Examples of approved sources include coverage through a spouse or partner's employment, healthcare benefits through a government sponsored program or coverage from a previous employer). Coverage for healthcare benefits must be purchased through the Episcopal Church Medical Trust.

LAITY SHORT & LONG-TERM DISABILITY

There is no change to the short-term disability plan premium for lay employees:

Salary Ranges	Monthly Premium
Less than \$25,000	\$8.00
\$25,000 to \$44,999	\$17.50
\$45,000 and above	\$32.00

There is also the option to purchase long-term disability coverage. This can be employer paid or the employee can purchase. **Enrollment for both short and long-term disability must occur within 30 days of employment.**

LAITY GROUP TERM LIFE AND AD&D

Episcopal Church employers may provide group term life insurance to lay employees through Church Life Insurance Corporation, a Church Pension Group affiliate. This coverage may be provided as a full benefit. Plans include coverage for accidental death and dismemberment and may also cover spouses and dependent children. There is no change to the group life insurance and AD&D premium rates for 2018. For more pension information, call CPG at (866) 802-6333 or go to their web site at:

<https://www.cpg.org/active-clergy/insurance/life/group-life/>

RETIREMENT SAVINGS PLAN (RSVP)

The Episcopal Church Retirement Savings Plan (RSVP) is a 403(b) tax-deferred retirement savings plan that gives clergy and lay employees in our **defined benefit pension** plans the option of contributing their own money toward their retirement savings.

RSVP features include:

- Pre-tax and after-tax contribution options
- Ability to transfer assets and change the allocation of future contributions online or by phone
- 24/7 access to your account
- Daily valuation
- Loan option

RSVP offers 12 investment options, so you can prepare for your retirement in the way that best serves your needs. These [investment options](#) include Fidelity Freedom K® Funds, which take the guesswork out of investing for retirement, and a mix of funds ranging from low- to high-risk. For more information call CPG at (866) 802-6333 or visit their web site at: <https://www.cpg.org/active-clergy/retirement/investing-for-retirement/retirement-savings-plan-rsvp/>

<https://www.cpg.org/active-clergy/retirement/investing-for-retirement/retirement-savings-plan-rsvp/>

DEFINED CONTRIBUTION RETIREMENT PLAN FOR LAY EMPLOYEES

The Episcopal Church Lay Employees' Defined Contribution Retirement Plan (Lay DC) is a tax-deferred retirement savings plan. The [Defined Contribution Plan](#) is a combined 401(a) and 403(b) plan offered through employers to help lay employees save for retirement. Both the employer and the employee contribute to this plan.

Lay DC features:

- Pre-tax and after-tax contribution options
- Ability to transfer assets and change the allocation of future contributions online or by phone
- 24/7 access to your account balance
- Daily valuation
- Loan option
- Distribution options in retirement
- Investment tools to manage risk

Lay DC plans offer a variety of investment options, so you can prepare for retirement in the way that best serves your needs. These [investment options](#) include Lifecycle Funds, which take the guesswork out of investing for retirement, and a mix of funds ranging from low- to high-risk.